

Small Business Administration

**Budget and Performance Integration:
The Road to Green**

DRAFT

President's Management Agenda

- “The American people should be able to see how government programs are performing and compare performance and cost across programs. The lack of a consistent information and reporting framework for performance, budgeting, and accounting obscures this necessary transparency.”

What We Needed

➤ The foundation:

● Strategic Plan:

- A finite number of strategic goals and long-term objectives
 - Specific and measurable outcomes that defined success
 - Outputs that could be linked to the outcomes
- ### ● An integrated process for budgeting and reporting that was consistent with the Strategic Plan

What We Needed

➤ The tools:

- Activity Based Costing
- An results/cost linkage methodology
- Validation of performance indicators methodology
- Scorecard
- Staff trained and focused

Strategic Plan

- Focuses on bridging competitive gaps within the small business community
- Establishes measurable long-term outputs and outcomes to determine SBA's programs value added contributions
- Links management support activities to specific strategic goals

Performance Components



Performance Budget

- Identifies annual performance goals to mark progress
- Establishes annual performance goals as milestones toward the long-term objectives
- Allocates resources for program evaluation and the determination of measurable outcomes
- Articulates strategies for achieving the annual goals

Performance and Accountability Report

- Integrates performance goals with budget, showing full costs of implementing strategies and achieving the goals.
- Links outcomes to outputs, and outputs to program activities, and shows costs of activities that are meaningful to program managers.

Activity Based Costing

- Identifies full cost of our activities and programs.
- Measures activities which relate to program outputs from the Strategic Plan.
- Produces efficient and informative reporting on resources, activities, and the cost of our outputs.

Cost allocation survey

- The tool we use to measure the full cost of our programs.
- SBA does not use a cost accounting system.
- Thru the survey, staff measure the percentage of time spent on various activities.
- C&B costs are more than 2/3 of the operating budget

Use of the survey

- Up to 3 levels of review to ensure accuracy of the survey
- Budget or accounting information is divided by cost centers.
- Survey data is applied to cost centers, to determine direct costs of activities.

Determining Full Costs

- Indirect costs (e.g., telecommunications) are then applied to activities, once direct costs have been determined.
- Overhead activities are applied to program costs (e.g., CFO or CIO office costs).
- The entire Agency budget is divided by program activities, fully loaded.
- Program costs can then be used to determine efficiency measures or unit costs.

Execution Scorecard

- Execution Scorecard system that links all the agency-wide strategic goals and long-term objectives to program level milestones, champions, and budget requirements
- Tracks goals versus actual results

Execution Scorecard

Execution Scorecard - Microsoft Internet Explorer provided by SBA

File Edit View Favorites Tools Help

Back Forward Stop Home Search Favorites Media Print Mail News RSS

Address http://yes.sba.gov/scorecard_2003/ Go Links Merriam-Webster

FY 2003 Goal Scorecard

Disaster
* Identifies if Goal is GPRA Goal

[Back] [Home]

Excel File Format

Output	Status	Annual Output Goal	YTD Output	Planned % Goal	% Goal Achieved	Variance %	Current As Of
Program Offices							
* Disaster loan applications processed	+	85	99	85.21%	116.47%	31.26%	8/7/2003
* Field presence within 3 days	+	95	100	85.21%	105.26%	20.05%	8/7/2003
* Loans with initial disbursements within 5 days of loan closing	+	95	99	85.21%	104.21%	19.00%	8/7/2003

Legend

+	at or ahead
o	up to 10% behind
-	more than 10% behind

Strategic Goals

- Agency Wide
- Goal Summary
- Program/Support Office
- District Office

Program/Support Office

- Production Goals
 - Administration
 - Administrator's Office
 - Advocacy
 - Capital Access
 - CFO
 - CIO
 - CLA
 - COO
 - Deputy Administrator
 - Disaster**
 - ED
 - EEO
 - Field Operations
 - GCBD
 - General Counsel

Internet

Past Best Practices

- SBA established the Office of Analysis, Planning and Accountability
- Reported performance and full-cost accounting by Long-Term Objective
- Reported outputs for every program and addressed program proliferation
- Integrated field offices into performance reporting

Past Best Practices

- Fully integrated Performance and Accountability Report that offers a more coherent view of the Agency's programmatic performance, financial accountability and managerial effectiveness.
- Data validation:
 - Data Validation Table
 - Coordinated program evaluation

Challenges

- Culture change
- Timely collection of data
- Quality of collected data
- Transition into new Strategic Plan and its performance measurements
- Creation of Results and Resources tables that reflect performance and full cost by Long-Term Objective

Future Accomplishments

- SBA will continue to monitor and improve the data quality of its output measures
- Integrated independent performance evaluations
- Support offices' performance will be tied to their contribution to Strategic Goals
- Performance reporting at the level of individual District Offices

Will continue using both past results and new goals to refine future strategies, and develop new policies to continuously improve Agency efficiency and effectiveness